

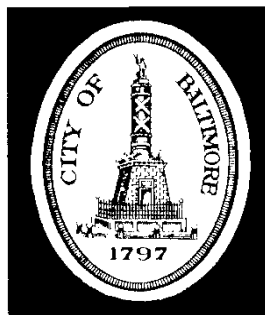
SINGLE AUDIT

ENOCH PRATT FREE LIBRARY

**A COMPONENT UNIT OF THE
CITY OF BALTIMORE**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2000



City of Baltimore
Department of Audits

SINGLE AUDIT
ENOCH PRATT FREE LIBRARY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2000

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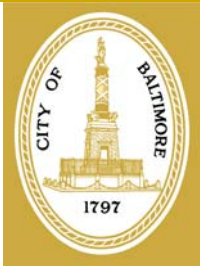
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PART I

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF AUDITS

YOVONDA D. BROOKS, CPA
City Auditor

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INDEPENDENT AUDITOR'S REPORT

December 29, 2000

Honorable Joan M. Pratt, Comptroller
And Other Members of the
Board of Estimates of the
City of Baltimore

Board of Trustees of the
Enoch Pratt Free Library

We have audited the accompanying general purpose financial statements of the Enoch Pratt Free Library, a component unit of the City of Baltimore, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Enoch Pratt Free Library's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Enoch Pratt Free Library of the City of Baltimore as of June 30, 2000, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 29, 2000, on our consideration of the Enoch Pratt Free Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Enoch Pratt Free Library, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Enoch Pratt Free Library. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

Yovonda D. Brooks, CPA
City Auditor

ENOCH PRATT FREE LIBRARY
BALANCE SHEET
JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR 1999)

	J u n e 3 0 , 2 0 0 0				
	Current Unrestricted Fund	Current Restricted Fund	Endowment Fund	Total All Funds	June 30, 1999 Total
Assets:					
Cash.....	\$ 24,533			\$ 24,533	\$ 355,609
Equity in City's Pooled Cash and Cash Equivalents.....	4,254,051			4,254,051	4,007,261
Investments (At Market).....	235,109	\$ 118,262	\$ 29,366,125	29,719,496	23,319,793
Gift Shop Inventory.....	16,890			16,890	23,442
Accounts Receivable - Due from Grantors.....		962,832		962,832	200,973
Accrued Interest and Dividends Receivable.....	180,558	19,488		200,046	200,046
Due from Current Restricted Fund.....	319,711			319,711	105,082
Due from Current Unrestricted Fund.....		4,095		4,095	138,252
Other Assets.....	607			607	437
Total Assets.....	\$ 5,031,459	\$ 1,104,677	\$ 29,366,125	\$ 35,502,261	\$ 28,350,895
Liabilities and Fund Balances:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities.....	\$ 2,247,245	\$ 315,420		\$ 2,562,665	\$ 2,069,100
Advances Payable - City's General Fund.....	302,500			302,500	302,500
Due to Baltimore City.....		14,283		14,283	252
Due to Current Unrestricted Fund.....		319,711		319,711	105,082
Due to Current Restricted Fund.....	4,095			4,095	138,252
Deferred Revenue - Advances from Grantors.....		360,899		360,899	189,576
Deferred Restricted Contributions.....		94,364		94,364	88,959
Total Current Liabilities.....	2,553,840	1,104,677		3,658,517	2,893,721
Liability for Vested Compensated Absences.....	2,808,300			2,808,300	2,746,900
Total Liabilities.....	5,362,140	1,104,677		6,466,817	5,640,621
Fund Balances (Deficits):					
Undesignated.....	(330,681)			(330,681)	(266,375)
Endowment Principal:					
Principal Non-expendable, Income Restricted.....			\$ 2,860,784	2,860,784	1,977,529
Principal Non-expendable, Income Unrestricted.....			3,711,589	3,711,589	2,826,707
Principal Expendable, Income Restricted.....			14,252,855	14,252,855	11,188,782
Principal Expendable, Income Unrestricted.....			8,540,897	8,540,897	6,983,631
Total Fund Balances (Deficits).....	(330,681)		29,366,125	29,035,444	22,710,274
Total Liabilities and Fund Balances.....	\$ 5,031,459	\$ 1,104,677	\$ 29,366,125	\$ 35,502,261	\$ 28,350,895

See notes to financial statements.

ENOCH PRATT FREE LIBRARY
STATEMENT OF SUPPORT, REVENUE, EXPENDITURES AND CAPITAL ADDITIONS
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR 1999)

	Year Ended June 30, 2000				
	Current Unrestricted Fund	Current Restricted Fund	Endowment Fund	Total All Funds	Year ended June 30, 1999 Total
Support and Revenue:					
Support:					
Baltimore City - General Fund.....	\$ 13,011,524			\$ 13,011,524	\$ 12,712,517
Federal Grants.....		\$ 1,241,006		1,241,006	1,011,746
State Grants.....	4,920,790	3,869,611		8,790,401	8,921,850
Other Grants.....		1,837,839		1,837,839	387,348
Fringe Benefits Paid Directly By the State.....	1,243,627			1,243,627	1,338,526
Gifts, Contributions and Bequests.....	847,264			847,264	400,378
Total Support.....	20,023,205	6,948,456		26,971,661	24,772,365
Revenue:					
Fines, Fees and Other.....	265,208			265,208	297,817
Investment Income.....	488,289	52,083		540,372	670,000
Interest from Enoch Pratt Endowment.....	159,000			159,000	161,000
Gift Shop.....	32,814			32,814	43,734
Total Revenue.....	945,311	52,083		997,394	1,172,551
Total Support and Revenue.....	20,968,516	7,000,539		27,969,055	25,944,916
Expenditures:					
Administrative and Technical Services.....	5,602,627			5,602,627	1,273,612
Extension Services.....	9,218,848			9,218,848	11,526,592
State Library Resource Center.....	5,952,419			5,952,419	7,283,415
Federal Grants.....		1,241,006		1,241,006	1,011,746
State Grants.....		3,869,611		3,869,611	3,887,833
Other Grants.....		1,837,839		1,837,839	387,348
Fringe Benefits Paid Directly By the State.....	1,243,627			1,243,627	1,338,526
Gift Shop.....	79,502			79,502	77,241
Other.....		23,975		23,975	44,997
Total Expenditures.....	22,097,023	6,972,431		29,069,454	26,831,310
Excess (Deficiency) of Revenue and Support over Expenditures before Capital Additions.....	(1,128,507)	28,108		(1,100,399)	(886,394)
Capital Additions:					
Gifts, Contributions and Bequests.....			\$ 236,093	236,093	159,350
Gain on Investments.....			7,189,476	7,189,476	1,525,020
Transfer from Endowment Fund.....	1,064,201	(28,108)	(1,036,093)		
Total Capital Additions.....	1,064,201	(28,108)	6,389,476	7,425,569	1,684,370
Excess (Deficiency) of Revenue, Support and Capital Additions over Expenditures.....	(64,306)		6,389,476	6,325,170	797,976
Fund Balances (Deficits), Beginning of Year.....	(266,375)		22,976,649	22,710,274	21,912,298
Fund Balances (Deficits), End of Year.....	\$ (330,681)		\$ 29,366,125	\$ 29,035,444	\$ 22,710,274

See notes to financial statements.

ENOCH PRATT FREE LIBRARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000
(WITH COMPARATIVE TOTALS FOR 1999)

	Year Ended June 30, 2000				Year ended June 30, 1999
	Operating Funds			Total All	Total
	Current Unrestricted	Current Restricted	Endowment Fund	Funds	
Cash Flows from Operating Activities:					
Excess (Deficiency) of Revenue and Support over Expenditures before Capital Additions.....	\$ (1,128,507)	\$ 28,108		\$ (1,100,399)	\$ (886,394)
Adjustments to Reconcile Excess (Deficiency) of Revenue and Support over expenditures before Capital Additions to Net Cash Provided (Used) by Operating Activities:					
Investment Income.....	(647,289)	(52,083)		(699,372)	(831,000)
Gifts, Contributions and Bequests Invested in the Endowment Fund.....			\$ 236,093	236,093	159,350
Decrease in Gift Shop Inventory.....	6,552			6,552	11,627
(Increase) Decrease in Accounts Receivable - Due from Grantors.....		(761,859)		(761,859)	268,019
(Increase) Decrease in Due from Current Unrestricted Fund.....		134,157		134,157	(129,040)
(Increase) Decrease in Due from Current Restricted Fund.....	(214,629)			(214,629)	63,964
(Increase) Decrease in Other Assets.....	(170)			(170)	466
Increase in Accounts Payable and Accrued Liabilities.....	404,624	88,941		493,565	731,436
Increase (Decrease) in Due to Current Unrestricted Fund.....		214,629		214,629	(63,964)
Increase (Decrease) in Due to Current Restricted Fund.....	(134,157)			(134,157)	129,040
Increase (Decrease) in Due to Director of Finance.....	(252)	14,283		14,031	252
Increase (Decrease) in Deferred Revenue - Advances from Grantors.....		171,323		171,323	(56,061)
Increase (Decrease) in Deferred Restricted Contributions.....		5,405		5,405	(75,024)
Increase in Liability for Vested Compensated Absences.....	61,400			61,400	73,300
Net Cash Provided (Used) by Operating Activities.....	(1,652,428)	(157,096)	236,093	(1,573,431)	(604,029)
Cash Flows from Non-capital Financing:					
Operating Transfers Between Funds.....	1,064,201	(28,108)	(1,036,093)		
Cash Flows from Investing Activities:					
Proceeds from the Sale and Maturities of Investments.....	562,533	277,068	4,074,259	4,913,860	7,077,265
Purchase of Investments.....	(562,533)	(287,295)	(3,274,259)	(4,124,087)	(6,847,228)
Investment Income.....	647,289	52,083		699,372	831,000
(Increase) Decrease in Accrued Interest and Dividends Receivable.....	2,271	(2,271)			8,864
Net Cash Provided by Investing Activities.....	649,560	39,585	800,000	1,489,145	1,069,901
Net Increase (Decrease) in Cash and Cash Equivalents.....	61,333	(145,619)		(84,286)	465,872
Cash and Cash Equivalents, Beginning of Year.....	4,217,251	145,619		4,362,870	3,896,998
Cash and Cash Equivalents, End of Year.....	\$ 4,278,584			\$ 4,278,584	\$ 4,362,870

See notes to financial statements.

ENOCH PRATT FREE LIBRARY
STATEMENT OF SUPPORT, REVENUE, EXPENDITURES AND ENCUMBRANCES AND CAPITAL ADDITIONS
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
CURRENT UNRESTRICTED FUND
YEAR ENDED JUNE 30, 2000
(ROUNDED TO HUNDRED DOLLARS)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Support and Revenue:			
Support:			
Baltimore City - General Fund.....	\$ 13,011,500	\$ 13,011,500	
State Grants.....	4,920,800	4,920,800	
Fringe Benefits Paid Directly by the State.....	1,243,600	1,243,600	
Gifts, Contributions and Bequests.....	<u>650,000</u>	<u>847,300</u>	<u>\$ 197,300</u>
Total Support.....	<u>19,825,900</u>	<u>20,023,200</u>	<u>197,300</u>
Revenue:			
Fines, Fees and Other.....	282,200	265,200	(17,000)
Investment Income.....	600,000	488,300	(111,700)
Interest from Enoch Pratt Endowment.....	159,000	159,000	
Gift Shop.....	<u>65,000</u>	<u>32,800</u>	<u>(32,200)</u>
Total Revenue.....	<u>1,106,200</u>	<u>945,300</u>	<u>(160,900)</u>
Total Support and Revenue.....	<u>20,932,100</u>	<u>20,968,500</u>	<u>36,400</u>
Expenditures and Encumbrances:			
Administrative and Technical Services.....	5,341,200	5,463,500	(122,300)
Extension Services.....	10,277,500	10,158,100	119,400
State Library Resource Center.....	5,790,400	5,899,400	(109,000)
Fringe Benefits Paid Directly by the State.....	1,243,600	1,243,600	
Gift Shop.....	<u>116,500</u>	<u>79,500</u>	<u>37,000</u>
Total Expenditures and Encumbrances.....	<u>22,769,200</u>	<u>22,844,100</u>	<u>(74,900)</u>
Deficiency of Revenue and Support over Expenditures and Encumbrances before Capital Additions.....	<u>(1,837,100)</u>	<u>(1,875,600)</u>	<u>(38,500)</u>
Capital Additions:			
Transfer from Endowment Fund.....	<u>1,837,100</u>	<u>1,064,200</u>	<u>(772,900)</u>
Deficiency of Revenue, Support and Capital Additions over Expenditures and Encumbrances.....		(811,400)	(811,400)
Fund Balances (Deficits) July 1, 1999 (Budgetary Basis).....	<u>(2,674,100)</u>	<u>(613,400)</u>	<u>2,060,700</u>
Fund Balances (Deficits) June 30, 2000 (Budgetary Basis).....	<u>\$ (2,674,100)</u>	(1,424,800)	<u>\$ 1,249,300</u>
Adjustments Required under GAAP:			
Elimination of Encumbrances Outstanding.....		3,303,200	
Encumbrances Cancelled, Included in Accounts Payable.....		112,200	
Accounts Payable.....		(963,000)	
Effect of Recording Vested Compensated Absences.....		<u>(1,358,300)</u>	
Fund Balances June 30, 2000 (GAAP Basis).....		<u>\$ (330,700)</u>	

See notes to financial statements.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS

1. The Reporting Entity

The Enoch Pratt Free Library (Library) was created by Maryland law in 1882 which enabled the City of Baltimore (City) to accept a donation from Enoch Pratt to establish "The Enoch Pratt Free Library of Baltimore City." The Library buildings are owned by the City, however its operations are administered by a private Board of Trustees. State law also designated the Library as the State Library Resource Center.

The Library receives funds from the City and State in the form of appropriations and grants, private donations, gifts and grants made directly to the Board of Trustees, as well as an endowment from the Enoch Pratt Trust Fund. The Department of Finance of the City operates as a service agency for the Library, providing such services as general accounting, payroll, disbursements and other services. The Library is subject to the budgetary control and expenditure authorization of the City concerning the appropriations included in the Unrestricted Fund of the Library. The Library maintains the records for the Board of Trustees' activities.

The Library is incorporated in the general purpose financial statements of the City as a blended component unit in accordance with criteria established by the Governmental Accounting Standards Board.

Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on the aforementioned criteria, there are no organizations for which the Library exercises oversight responsibility.

The general purpose financial statements of the Library are prepared from the records of the City and the Library. They pertain to the operations of the Library and do not reflect the Library's buildings, which are owned by the City nor those activities related to capital projects or debt service, as these are reflected in the general purpose financial statements of the City. The accounting and financial reporting policies of the Library included in this report conform to generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

These general purpose financial statements, as presented, reflect only the financial position and results of operations and cash flows of the Library. They are not intended to present fairly the financial position of Baltimore City taken as a whole, or the results of its operations in conformity with generally accepted accounting principles.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The accompanying financial statements have been prepared in accordance with Governmental Accounting Standards Board Statement Number 29 "The Use of Not-For Profit Accounting and Financial Reporting Principles by Governmental Entities."

B. Accrual Basis and Fund Accounting

The accompanying general purpose financial statements have been prepared on the accrual basis of accounting whereby revenues are recorded at the time they are earned and expenses are recorded when liabilities are incurred. To ensure observance of limitations and restrictions placed on the use of resources available to the Library, the accounts of the Library are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds established according to their nature and purposes. Revenues received with restrictions are recorded in a separate account in each fund and only expenses for the restricted purpose are recorded in the separate account by the Library; however, in the accompanying general purpose financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities and fund balances of the Library are reported in three self-balancing fund groups as follows:

Current Unrestricted Fund, which includes revenues received from an annual appropriation from the City of Baltimore, State funding for general operating purposes, and other revenues that are available for support of the Library's operations.

Current Restricted Fund, which includes revenues received from Federal or State grants, State funding for the State Library Resource Center and other income, which is generally available only for restricted uses.

Endowment Fund, which reflects funds of the Board of Trustees that are subject to restrictions imposed by donor or certain unrestricted gift instruments.

C. Summary Totals

The general purpose financial statements of the Library present, for comparative purposes only, summary totals for all funds for fiscal year 1999. The complete details and full disclosures concerning these amounts are included in our report dated December 23, 1999.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Equity in City's Pooled Cash and Cash Equivalents

In accordance with administrative policy, the Director of Finance acts as the banker for all City Bureaus, Departments and Agencies. Revenues received are deposited with the City Collector and all expenditures including payroll are paid through the Division of Payroll and Disbursements of the City's Department of Finance. The net difference between the actual receipts and cash disbursements is reflected as either equity in City's pooled cash and cash equivalents or a payable to Baltimore City. As mentioned in Note 1, the Library utilizes the City's Department of Finance for such purposes and, therefore, reflects an equity or payable as noted above. Additionally, for greater efficiency of operations, the Director of Finance has made cash advances to the Library in the form of petty cash and imprest checking accounts.

Equity in City's Pooled Cash and Cash Equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

E. Sick, Vacation and Personal Leave

Employees earn one day of sick leave for each completed month of service. There is no limitation on the number of sick leave days that may be accumulated. At June 30, 2000, the estimated accumulated sick leave for the Library was \$3,360,101. A portion of unused sick leave earned annually during each twelve month base period may be converted to cash for a maximum of three days, computed on an attendance formula. Upon retirement with pension benefits, or termination of employment after completion of 20 or more years of service without pension benefits, employees receive one day's pay for every four sick leave days accumulated and unused at the date of separation or one day's pay for every three such days, depending on the employee's bargaining unit representation. Under any other conditions of separation, unused sick leave is forfeited. Sick leave benefit expenditures are not recorded until paid, except that vested unused sick leave for employees with 20 or more years of service is recorded when leave is earned and is recorded in the Current Unrestricted Fund. The liability is not expected to be reduced in the succeeding year.

The professional and certain other employees of the Library, which comprise the majority of the employees, may accumulate a maximum of 108 vacation and personal leave days depending upon length of service. The administrative and supervisory employees may accumulate a maximum of 216 vacation and personal leave days depending upon length of service. The leave may be taken through time off or carried until paid upon termination or retirement. Accumulated vacation and personal leave is recorded in the Current Unrestricted Fund. This liability is not expected to be reduced in the succeeding year.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the City appropriation portion of the Current Unrestricted Fund. Encumbrances are not separately reported on the GAAP basis statements because they do not constitute expenditures or liabilities. Encumbrances are reported with expenditures in the budgetary basis statement.

G. Recognition of Revenue (Other Than Grants)

All gains and losses arising from the sale, collection or other disposition of investments are accounted for in the fund that held the investments. Ordinary income from investments is accounted for in the fund owning the investments, except for income derived from investments of endowment funds, which is accounted for, if unrestricted, as revenue of the current unrestricted fund or, if restricted, as deferred amounts in the current restricted fund until the terms of restriction have been met, at which time the amounts are recognized as revenue.

H. Recognition of Grant Revenues

Grant revenues are recognized in the financial statements when the Library has met the requirements of the grant and is therefore eligible to receive the funds.

I. Books

Books used in the circulating library have not been capitalized because their estimated useful lives are less than one year.

J. Copyrights/Literary Rights

The value of copyrights, from which the Library received approximately \$9,207 in royalties during fiscal year 2000, is not reasonably determinable and has not been recorded in the accompanying financial statements.

K. Inexhaustible Collections

The Library has a small collection of works of art, rare books and other similar assets that are considered to have historical and/or research value. These assets are not capitalized in the accompanying financial statements because they are being held for public exhibition, education or research and the historical cost of these items is not readily determinable. The current value is not presently known.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

L. Deficit

The undesignated Current Unrestricted Fund deficit results from the cumulative effect of recognition of the liability for employees unused leave and an increase in Accounts Payable. Funds for employees' unused leave are provided in the year in which leave benefits are expected to be paid. Funds for Accounts Payable are anticipated to be provided in fiscal year 2001.

3. Budgeting and Budgetary Control

Annual budgets are adopted for the Current Unrestricted Fund. The Current Restricted Fund does not have an annual budget since the major source of revenue in this fund is grant awards, which generally span more than a given fiscal year.

In the Current Unrestricted Fund, the annual appropriation from the City of Baltimore and the State funding for general operating purposes are budgeted in accordance with the provisions of the City Charter. Revenues generated from that portion of the Library's endowment not subject to donor restrictions and from gift shop operations and other revenues that may become available for support of the Library's operations are budgeted by the Library's Board of Trustees in keeping with Board policy.

The Statement of Support, Revenue, Expenditures and Capital Additions and Changes in Fund Balances - Budget and Actual - Current Unrestricted Fund reflects the budgeted and actual amounts (on a budgetary basis) for the Current Unrestricted Fund.

City records pertaining to the City's appropriation for the Library as contained in the Current Unrestricted Fund are maintained on a budgetary basis and reported on a GAAP basis. The reconciliation of budget to GAAP (to the nearest \$100) for the Library's Current Unrestricted Fund follows:

Deficiency of revenue and support over expenditures and encumbrances before capital additions – budgetary basis, fiscal year 2000.....	\$ (1,875,600)
Change in encumbrances included in accounts payable, 2000 over 1999	46,800
Change in accounts payable, not recorded for budgetary purposes, 2000 over 1999.....	178,600
Change in encumbrances, 2000 over 1999.....	583,100
Change in accrual for compensated absences, 2000 over 1999.....	(61,400)
Deficiency of revenue and support over expenditures before capital additions – GAAP basis, fiscal year 2000.....	<u><u>\$ (1,128,500)</u></u>

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Deposits and Equity in City's Pooled Cash and Cash Equivalents

The carrying amount of the Library's deposits with financial institutions was \$24,533 and the bank balance was \$763,280, with the difference being checks outstanding at June 30, 2000.

Deposits with financial institutions and the Library's Equity in City's Pooled Cash and Cash Equivalents are fully insured or collateralized.

The carrying amounts approximate fair value because of the short term maturities of those instruments.

5. Investments

The Board of Trustees of the Library is an independent Board which has the authority to invest Library funds. The Board relies on an investment manager who is charged to use a generally conservative approach within guidelines set by the Board.

The Library investments are summarized below. Investment securities held by the Library are presented in the financial statements at fair market value at June 30, 2000, which approximates fair value. Real estate is valued at the most recent appraisal. The investments that are represented by specific identifiable investment securities, are classified as to credit risk by the three categories described below:

Category 1 - Insured or registered, or securities held by the Library or its agent in the Library's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Library's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Library's name.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Category			Total	Market
	1	2	3	Cost	Value
U.S. Treasury and Agencies					
Securities.....	\$ 1,397,744			\$ 1,397,744	\$ 1,491,820
Corporate Stocks and Bonds	10,412,225			10,412,225	27,046,461
Foreign Government Bonds..	235,625			235,625	250,313
Real Estate.....	235,109			235,109	235,109
	<u>\$12,280,703</u>	<u> </u>	<u> </u>	<u>12,280,703</u>	<u>29,023,703</u>
Mutual Funds.....				695,793	695,793
Totals.....				<u>\$ 12,976,496</u>	<u>\$ 29,719,496</u>

These investments relate to the following funds:

	Cost	Market
Current Unrestricted Fund.....	\$ 235,109	\$ 235,109
Current Restricted Fund.....	118,262	118,262
Endowment Fund.....	12,623,125	29,366,125
Totals.....	<u>\$ 12,976,496</u>	<u>\$ 29,719,496</u>

The Library had a realized gain of \$570,040 and an unrealized gain of \$6,619,436 or a net total gain (net of fees) of \$7,189,476 on Endowment Fund investments during fiscal year 2000. Cost for the purposes of computing gain or loss is the historical cost of the individual investments.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Property, Plant and Equipment

The Library conducts its activities in facilities which are owned by the City of Baltimore and provided to the Library at no cost. The summary of plant assets at June 30, 2000, which have not been reflected in the accompanying financial statements due to the ownership by the City of Baltimore, is as follows (valued at historical cost):

Land.....	\$ 1,656,441
Building.....	11,010,761
Improvements.....	204,133
Equipment.....	3,903,802
Construction Work in Progress.....	7,077,981
Total.....	<u>\$ 23,853,118</u>

7. Changes in Deferred Restricted Contributions

	Restricted Fund
Balance at the Beginning of Year.....	\$ 88,959
Additions - Investment Income.....	55,569
Gifts, Contributions and Bequests.....	1,919
Deductions - Amounts Expended During the Year...	23,976
Transfers to Endowment Fund.....	28,107
Balance at the End of Year.....	<u>\$ 94,364</u>

8. Risk Management

The Library participates in the City's Risk Management Fund. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1987, the City established the Risk Management Fund (an internal service fund) to account for and finance its uninsured risks. The City's risk financing techniques include a combination of risk retention through self-insurance and risk transfer through the purchase of commercial insurance. The Risk Management Fund services all claims for risk of loss, including general liability, property and casualty, workers' compensation, automobile

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

physical damage, bodily injury and sundry other risks. Commercial insurance coverage is provided for each property damage claim in excess of \$750,000 with a cap of \$250,000,000. Settled claims have not exceeded this commercial coverage in any of the past five years. The City also provides medical insurance coverage for all employees and retirees. Employees are required to pay a percentage of the annual costs of medical plans and the remaining costs are paid by the internal service fund.

All funds of the City participate in the program and make payments to the Risk Management Fund based on actuarial estimates and historical cost information of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. During fiscal year 2000, the Library's share of the City's cost was \$2,002,404.

9. Leases

The Library has entered into leases for rental of various pieces of equipment. All leases contain cancellation provisions and are subject to annual appropriations by the City and State governments. During fiscal year 2000, rent and lease expenditures approximated \$140,680 for all types of leases, including significant short-term equipment rentals. These expenditures were made primarily from the Current Unrestricted Fund.

10. Retirement Plans

Professional and certain other employees of the Library are covered under two mandatory defined benefit retirement plans, either the Maryland State Teachers' Retirement System (contributory plan) or the Maryland State Teachers' Pension System (non-contributory plan). These two plans are administered by the Maryland State Retirement Agency. Under Maryland State law, the Library is required to make no contributions to these plans.

Classified employees of the Library, who are not covered under one of the plans, are required to join the City of Baltimore's Employees' Retirement System (ERS). The ERS is a single-employer defined pension plan administered by the City of Baltimore Retirement System. ERS provides retirement, disability, and death benefits to plan members and beneficiaries. The plan is managed by a Board of Trustees in accordance with Article 22 of the Baltimore City Code. Plan benefits may be amended only by the City Council. The Employees' Retirement System issues a publicly available financial report that includes financial and required supplementary information. That report may be obtained by writing to the City of Baltimore Retirement Systems, Room 640, City Hall, 100 N. Holliday Street, Baltimore, MD 21202.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Baltimore City Code establishes the contribution requirements for plan members and the City. Employees hired on or after July 1, 1979 must join the non-contributory plan. Employees hired prior to July 1, 1979, contribute to the plan at a rate of 4% unless they elected to transfer to the non-contributory plan. The City contributes to the plan at a rate of 6.1% of covered payroll. During fiscal year 2000, the City's annual required contribution was \$18,869,000. The Library's share of that cost was \$152,232. The annual contribution rate was determined as part of the actuarial valuation dated June 30, 2000, using projected unit cost method. The actuarial assumptions included (a) 8.0% investment return rate and (b) projected salary increases ranging from 4.75% to 7.0%. Post retirement benefit increases are provided to those retirees and beneficiaries entitled to such benefits when the plan is determined at June 30 to have excess earnings. The actuarial value of plan assets is determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level dollar on an open ended basis. The remaining amortization period at June 30, 2000 is 20 years.

The following schedules present information for the entire Employees' Retirement System.

Three Year Trend Information
(Dollars expressed in thousands)

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 1998	\$20,990	100%
June 30, 1999	19,710	100%
June 30, 2000	18,869	100%

Schedule of Funding Progress
(Dollars expressed in thousands)

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 1998	\$ 1,185,993	\$ 1,155,226	\$ (30,767)	102.7%	\$ 290,848	(10.6)%
June 30, 1999	1,247,952	1,193,031	(54,921)	104.6%	305,212	(18.0)%
June 30, 2000	1,309,548	1,217,622	(91,926)	107.5%	308,896	(29.8)%

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

11. Fringe Benefits Paid Directly by the State of Maryland

The State of Maryland, by agreement with the political subdivisions, mandates professional and certain other employees of the Library to join the Maryland State Teacher's Retirement System. The State is responsible for the payment of the pension costs for these individuals. The amount of pension contribution paid by the State for eligible Library employees approximated \$1,243,627 for fiscal year 2000. The State payments are based on an annual State budget appropriation and such payments could be rescinded if funds were not appropriated. These payments are also subject to possible State audit exceptions in subsequent fiscal years.

12. Postemployment Benefits

Baltimore City administrative policy provides that post employment benefits, other than pension benefits, be provided to all employees of the City. These benefits include certain health care and life insurance benefits. All employees who retire are eligible to receive these benefits. At June 30, 2000, there were 18,869 retirees eligible for these benefits. The City reimburses approximately 63% of the premium cost incurred by pre-Medicare retirees and their dependents. The City also reimburses approximately 84% of the cost for Medicare supplement for each retiree or dependent eligible for Medicare. Such benefits are accounted for on a cash basis so that payments during the current year represent benefit coverage for currently retired employees or their beneficiaries. During fiscal year 2000, these postemployment benefits amounted to \$59,841,000. Since this amount includes employees from all other City departments, none of these costs are charged to the Library.

13. Promises to Give

Contributions are recognized by the Library in the period received. Promises to give in the amount of \$682,100, which were pledged to the Library in fiscal year 2000 and expected to be received in subsequent periods are, therefore, not reported in the financial statements.

14. Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Library's programs, principally in the areas of information services, programming and support services. The value of these services, estimated to be \$191,464, has not been recorded in the accompanying financial statements.

ENOCH PRATT FREE LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. Interfund Receivables and Payables

During the course of operations numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as due from or due to restricted/unrestricted funds on the balance sheet. Interfund receivables and payables at June 30, 2000, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Unrestricted Fund.....	\$ 319,711	\$ 4,095
Current Restricted Fund.....	4,095	319,711
Total.....	<u>\$ 323,806</u>	<u>\$ 323,806</u>

16. Income Tax Status

Under applicable provisions of the Internal Revenue Code, the Library is not subject to income taxes except for unrelated business income, if any.

17. Contingencies

The Library receives a substantial amount of its support from the State of Maryland and Baltimore City. A significant reduction in the level of support may have an effect on the Library's programs and activities.

The Library participates in several State and Federal grant programs. Entitlement to grant resources is conditional upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations. These grants are subject to financial and compliance audits by the grantors or their representatives. Any disallowances as the result of such audits are recorded as liabilities when they are assessed and agreed upon.

The management of the Library believes that such disallowances, if any, would not have a material effect on the Library's financial statements.

The Library may be party to legal proceedings which normally occur in its operations. The Library Board of Trustees utilizes the Baltimore City Law Department to address such proceedings. The legal proceedings, in the opinion of the City Solicitor, in general, are not likely to have a material impact on the financial statements of the Library.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

ENOCH PRATT FREE LIBRARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (1)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

				MSDE		
				I.D.	C.F.D.A.	
<u>Grant Title</u>				<u>Number</u>	<u>Number</u>	<u>Expenditures</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES, INSTITUTE OF MUSEUM AND LIBRARY SERVICES (2)						
Aid - Public Libraries						
Pass-through from MSDE				832211	45.310	\$ 248,478
" " " "				930612	45.310	191
" " " "				931822	45.310	712
" " " "				931823	45.310	23,835
" " " "				932078	45.310	450,000
" " " "				932138	45.310	9,000
" " " "				030604	45.310	10,000
" " " "				031689	45.310	448,790
" " " "				031985	45.310	50,000
Total National Foundation on the Arts and the Humanities						<u>\$ 1,241,006</u>

See notes to the Schedule of Expenditures of Federal Awards.

ENOCH PRATT FREE LIBRARY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Active Awards

For the purposes of this report, the schedule of expenditures of federal awards includes any award which incurred current fiscal year 2000 expenditures.

2. Scope of Testing

For an organization where the total federal awards expended is between \$300,000 and \$100,000,000, OMB Circular A-133 defines Type A major programs as federal programs with federal awards expended during the audit period exceeding the larger of \$300,000 or three percent of total federal awards expended. COMAR 13A.02.07.04B(2) further defines major federal programs for local boards that do not expend more than \$300,000 on a single CFDA number as programs for which federal expenditures during the applicable fiscal year exceed the larger of \$100,000 or 5% of total federal expenditures for all programs.

In accordance with the provisions of OMB Circular A-133, a risk-based approach was used to determine federal programs audited as major. For the fiscal year ended June 30, 2000, the Library administered one Type A program as defined above. Accordingly, the following Type A program has been determined to be a major program:

<u>Title</u>	<u>CFDA #</u>	<u>Expenditures</u>
Aid – Public Libraries	45.310	\$1,241,006

The Library expended 100% of its total expenditure of federal awards of \$1,241,006 under the above major program.

PART II

AUDITOR'S REPORT ON COMPLIANCE

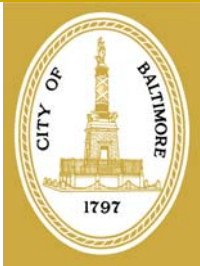
AND ON

INTERNAL CONTROL OVER FINANCIAL REPORTING

BASED ON AN AUDIT OF FINANCIAL STATEMENTS

PERFORMED IN ACCORDANCE WITH

GOVERNMENT AUDITING STANDARDS



AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 29, 2000

Honorable Joan M. Pratt, Comptroller
And Other Members of the
Board of Estimates of the
City of Baltimore

Board of Trustees of the
Enoch Pratt Free Library

We have audited the financial statements of the Enoch Pratt Free Library as of and for the year ended June 30, 2000, and have issued our report thereon dated December 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Enoch Pratt Free Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Enoch Pratt Free Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material

in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the City of Baltimore's and Enoch Pratt Free Library's management, the Federal cognizant agency and the Maryland State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Yovonda D. Brooks, CPA
City Auditor

PART III

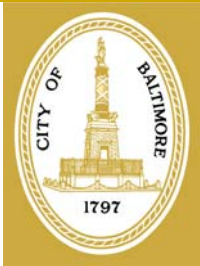
AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS

APPLICABLE TO THE MAJOR PROGRAM

AND

INTERNAL CONTROL OVER COMPLIANCE

IN ACCORDANCE WITH OMB CIRCULAR A-133



AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

December 29, 2000

Honorable Joan M. Pratt, Comptroller
And Other Members of the
Board of Estimates of the
City of Baltimore

Board of Trustees of the
Enoch Pratt Free Library

Compliance

We have audited the compliance of the Enoch Pratt Free Library with the types of requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The Enoch Pratt Free Library's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Enoch Pratt Free Library's management. Our responsibility is to express an opinion on the Enoch Pratt Free Library's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Enoch Pratt Free Library's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Enoch Pratt Free Library's compliance with those requirements.

In our opinion, the Enoch Pratt Free Library complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the Enoch Pratt Free Library is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Enoch Pratt Free Library's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Enoch Pratt Free Library's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 00-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the City of Baltimore's and Enoch Pratt Free Library's management, the Federal cognizant agency and the Maryland State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Yovonda D. Brooks, CPA
City Auditor

PART IV

AUDITOR'S SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ENOCH PRATT FREE LIBRARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2000

Section I – Summary of Auditor’s Results

Part I – General Purpose Financial Statements

Type of auditor’s report issued: unqualified opinion

Part II – Auditor’s Report on Compliance and on Internal Control over Financial Reporting

Material weaknesses identified? yes X no
Reportable conditions identified not considered to be material weaknesses? yes X none reported
Noncompliance material to financial statements noted? yes X no

Part III – Auditor’s Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance

Internal control over major programs:
Material weaknesses identified? yes X no
Reportable conditions identified not considered to be material weaknesses? X yes none reported

Type of auditor’s report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? yes X no

Identification of major program:

<u>CFDA Number</u>	<u>Title</u>
45.310	Aid – Public Libraries (Pass-through from MSDE)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

ENOCH PRATT FREE LIBRARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2000

Section II – Findings Relating to the Library’s Financial Statements, which are Required to be Reported in Accordance with *Government Auditing Standards*.

The results of the auditor’s tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*. The auditor noted no matters involving the internal control over financial reporting and its operation that are considered to be material weaknesses and no deficiencies in internal control that are required to be reported under *Government Auditing Standards*.

Section III - Findings and Questioned Costs for the Library’s Federal Awards, which are Required to be Reported in Accordance with OMB Circular A-133.

The auditor found no instances of noncompliance with certain requirements applicable to the major federal program that are required to be reported in accordance with OMB Circular A-133.

The auditor noted no matters involving the internal control over compliance and its operation that are considered to be material weaknesses. However, we found one deficiency in internal control that is considered a reportable condition under OMB Circular A-133.

Internal Control Over Compliance

Finding #: 00-1
CFDA #: 45.310
Program Title: Aid – Public Libraries
Federal Agency: National Foundation on the Arts and the Humanities
Federal Award #: Various
Pass-Through: MSDE, Various Award Numbers

Property Records Should be Updated Timely when Equipment is Purchased

Office of Management and Budget Circular A-110, subpart C, Section 34 requires adequate property management procedures and records to be in place to account for and safeguard non-expendable personal property. Without adequate property management procedures and records, assets are subject to increased risk of misplacement or theft. The Enoch Pratt Free Library purchased \$421,114 in computer equipment during fiscal year 2000 using Aid to Public Libraries funds (CFDA # 45.310). The equipment purchased was not posted to the applicable property records. While inventory tags were affixed to the equipment, the Library’s equipment database was not updated to account for these purchases.

ENOCH PRATT FREE LIBRARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2000
(Continued)

We recommend that the Library improve its property management procedures by timely updating its property records for all equipment purchases. Such procedures will help to ensure that non-expendable personal property is adequately accounted for and safeguarded.

PART V

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

ENOCH PRATT FREE LIBRARY
AUDITEE'S SUMMARY SCHEDULE OF PRIOR FINDINGS
FISCAL YEAR ENDED JUNE 30, 2000

There were no findings in the Enoch Pratt Free Library single audit report for the fiscal year ended June 30, 1999.

PART VI

AUDITEE'S CORRECTIVE ACTION PLAN ON CURRENT AUDIT FINDINGS

ENOCH PRATT FREE LIBRARY
AUDITEE'S CORRECTIVE ACTION PLAN ON CURRENT AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2000

<u>Finding Number/Finding</u>	<u>Contact Person</u>	<u>Planned Corrective Action</u>	<u>Anticipated Completion Date</u>
<u>Finding # 00-1</u> Property Records Should be Updated Timely when Equipment is Purchased	Gordon Krabbe, Director of Administrative Services	The Library has implemented some organizational changes in an effort to streamline services and improve management of its electronic infrastructure. It is anticipated that this will result in a timely inventory of equipment so that under most circumstances, equipment will be recorded in the database within seven business days. The Library notes that inventory records are up-to-date as of the date of this report.	June 2001